

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:)	Attorney Docket No. 103
Sexton, Frank M. et al.)	
)	
Application No.:	09/775,273)
)	
Filed:	February 1, 2001)
)	
For:	METHOD AND SYSTEM FOR)
	DISPROPORTIONAL)
	ALLOCATION OF MULTI-RISK)
	INSURANCE POLICY)
)	
Examiner:	Kalinowski, Alexander G.)
)	
Art Unit:	3626)
)	
Confirmation No.:	7225)

REMARKS

Claims 1-11 are in the application.

Claims 5 has been amended solely to add clarification.

Claims 1, 3, 5 and 7 are rejected under section 103(a) as being unpatentable over Sexton et al. patent No. 5,752,236 (Sexton) in view of McCoy, an article entitled "Auto-Homeowners Packages Look Like A Winner" (McCoy). Applicants respectfully traverse the rejection.

McCoy

The article by McCoy touts the benefit of combining homeowners and auto coverage in a package. Homeowners insurance relates to protection for fire and theft while auto insurance concerns auto liability and car repair. The article claims certain advantages of a package for an agent in that it helps sell more than one type of insurance, it helps improve the retention of all of the policies, there are higher total commissions for the agent, customers tend to buy higher levels of insurance and the agent spends less total time with each customer.

It is noted that while the article discusses the idea of a package, there is no teaching that the homeowner coverages and the auto coverages are combined into a single policy. The package appears to discuss selling one homeowners policy and one auto policy together at the same time. By way of anecdote, the undersigned has both his auto insurance and his homeowner insurance through a single company which are "packaged" to provide a discount on the total premiums paid. However, the insurance for fire and theft, etc., the homeowner policy, is a separate policy distinct from the auto insurance policy on the undersigned's cars.

There is no teaching in McCoy to select three or more coverages to form a prototype policy because nowhere does McCoy state that the "package" is a new single policy as opposed to a package of a homeowner policy and an auto policy, each with its own coverages and each with its own premium obligation.

Sexton

The Sexton reference discloses taking a single life insurance product, dividing that product into at least two separate but related policies and then disproportionately allocating expenses, benefits and obligations regarding those related policies. Graphically this process is shown in column 11 of Sexton in Tables I and II. Table I shows "a typical life insurance contract" over ten years having an annual premium of \$10,000, a build-up of cash value to \$100,000 and a constant death benefit of \$500,000. In Table II, the same "typical life insurance contract" is divided into two separate but related contracts and shown over the same ten year period. The premium paid by the first owner for the first contract is \$7,000 a year, the premium paid by a second owner for the second contract is \$3,000 a year, the cash value of the first contract builds to \$10,000, the cash value of the second contract builds to \$90,000, and the death

benefit of the first contract is a constant \$200,000 while the death benefit of the second contract is a constant \$300,000.

Sexton teaches that the single life insurance contract being considered in Tables I and II may be chosen from a long list of life insurance products disclosed in column 10, lines 10-21. There is no disclosure or suggestion that other types of insurance coverages be involved or that a single policy be constructed of anything other than a life insurance product.

Argument

For rejection under 103 to be proper, the combined references, Sexton and McCoy, must teach the claimed invention so that there is in effect an anticipation. All of the claim limitations are not found even if Sexton and McCoy are combined. For example, claim 1 includes the limitation of "collecting data concerning multiple insurance coverages" and then "selecting three or more coverages to form a prototype policy". As mentioned, Sexton teaches only life insurance coverage whereas McCoy talks about packaging a homeowner insurance policy with an automobile insurance policy. There is no teaching or even suggestion of forming a prototype policy of three or more insurance coverages.

Claim 1 also includes the limitation of disproportionately allocating benefits and obligations regarding the prototype policy into at least two new policies. Sexton concerns only a single existing life insurance which is divided, whereas McCoy is concerned with two separate policies. Hence, even if combined, the method claimed in claim 1 is not anticipated.

The same argument applies to applicants' insurance system of claim 5. Claim 5 includes the limitation of the data processing apparatus having information "concerning at least three types of insurance coverages; a policy formed. . .based upon a selection of three or more types of insurance coverages. . .(and then) allocating premium obligations and benefits in a

disproportional manner between at least two separate but related policies". As mentioned, even if Sexton and McCoy are combined, there is no teaching of all the limitations found in claim 5.

Since claims 3 and 7 are dependent from claims 1 and 5, respectively, they would be allowable if claims 1 and 5 are allowable.

As a second and independent argument against the propriety of a section 103 rejection based on Sexton and McCoy, there is a requirement under section 103 that the teachings of the references may be combined only when there is a some suggestion or incentive in the references themselves to do so, as explained by the Federal Circuit in *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992) and in *ACS Hospital System Inc. v. Monte Fiore Hospital*, 732 F.2d 1572, 1577 (Fed. Cir. 1984). There is no objective teaching in either Sexton or McCoy that would lead someone of ordinary skill in the art to combine the relevant teachings of those references. Sexton does not teach anything beyond a single life insurance product divided into two or more policies. The only justification for combining McCoy with Sexton is an attempt to construct the claimed method and system using applicants' disclosure as a guide. Such hindsight construction is improper.

A third independent argument concerning the non-obviousness of the current claimed invention is based on objective evidence. The situation here is unique in that the two inventors of the Sexton reference are the same two applicants of the current application. Because the idea of packaging a homeowner policy and an auto policy was already well known at the time the Sexton reference was filed, it is contended that if the use of multiple insurance coverages was obvious in relation to the disproportionate allocation concept disclosed in Sexton, the applicants here would have included those in the Sexton reference itself and would have included claims to cover what they are claiming in the subject application.

Furthermore, it is apparent that no one else conceived such an invention even after the Sexton reference became public knowledge in 1998. These latter arguments are analogous to arguments relating to "secondary considerations" because they provide objective evidence against the finding of obviousness.

Claims 2, 4, and 8-11 are rejected under section 103(a) as being unpatentable over Sexton and McCoy as applied to the earlier rejection and further in view of an article by Smith entitled "Protect Yourself" (Smith).

Smith

The article by Smith deals with buying insurance over the Internet which supposedly saves the insurance buyer time and money. Smith reports that she was looking for a "package" in the same way that McCoy discusses a "package" but there is no single policy with multiple coverages. Instead, as clearly stated in the next to last paragraph of Smith, she reports that after shopping on the web "the policies for health, auto and homeowners insurance are in the mail. As soon as I receive them. . . ." (Emphasis added.) Once again, the teaching of Smith is not that there is one policy with multiple coverages but rather that she has created, presumably, a discounted "package" of three separate policies purchased from the same agent where each policy includes its own coverages and where each policy includes its own premium.

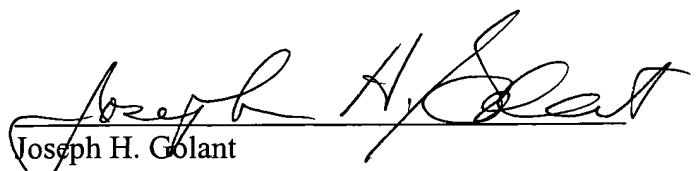
All of the arguments set forth above with regard to claims 1 and 5 are also applicable and since the remaining claims are all dependent upon claims 1 and 5, they would all be allowable if claims 1 and 5 are allowable.

Conclusion

In view of the above arguments, the Examiner is respectfully requested to review and reconsider the rejections and pass the application to allowance.

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Respectfully submitted,



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